

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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| BOONE COUNTY WATER AND SEWER DISTRICT |) | |
| SEEKING APPROVAL TO PURCHASE SMALL PACKAGE) |) | CASE NO. |
| SANITARY SEWER TREATMENT PLANTS |) | 90-079 |

O R D E R

On April 3, 1990, the Boone County Water and Sewer District ("Boone County") filed an application for Commission approval of the transfer to Boone County of the following package sewer treatment plants: Ethans Glen; Featherstone Meadows; Boone Creeke; Willow Bend; Hickory Glen; Burlington Meadows; Heritage Trail; Cedarwood Village; Commerce Park; and Strawberry Hill. The plants are located in Boone County, Kentucky and are owned by Public Service Utilities, Inc. ("Owner"). This Order grants the approval requested.

Having reviewed the application and evidence of record and being otherwise sufficiently advised, the Commission finds that:

1. Owner has agreed to sell and Boone County has agreed to purchase the 10 package sewer treatment plants for a total purchase price of \$50,000.

2. A transfer agreement was executed on March 26, 1990, which provided that Boone County would begin operation and maintenance of the systems on April 15, 1990. The transfer agreement is contingent upon Commission approval of the acquisition.

3. Boone County employs individuals who are certified as wastewater system operators by the Kentucky Board of Certification of Wastewater System Operators.

4. As of December 31, 1989, Boone County's sewer operations had assets of \$7,167,737.¹

5. Boone County, as a water district organized under the provisions of KRS Chapter 74, is a political subdivision of the Commonwealth.

6. In view of its financial assets and its status as a political subdivision of the Commonwealth, Boone County has sufficient financial integrity to ensure the continuity of sewage service. A copy of a valid third-party beneficiary agreement guaranteeing the continued operation of the proposed sewage treatment system is therefore not required. 807 KAR 5:001, Section 3(1)(a).

7. Boone County has the financial, technical, and managerial abilities to provide reasonable utility service to the customers of the 10 package plants.

8. Boone County should maintain its books of account in accordance with the Uniform System of Accounts for Sewer Utilities prescribed by the Commission. Boone County has submitted journal entries reflecting its accounting of the transfer.

9. In the transfer agreement, Boone County and Owner agree that Owner will construct a new treatment facility to service the

¹ Annual Report of Boone County Water and Sewer District (Sewer Operations) for the year ended December 31, 1989, p.2.

Commerce Park Subdivision. The Commission reminds Boone County that KRS 278.020(1) provides that no person shall begin construction of any facility for furnishing utility service to the public, with the exception of ordinary extensions of existing systems in the usual course of business, until such person has obtained from the Commission a certificate that public convenience and necessity require such construction.

IT IS THEREFORE ORDERED that:

1. The proposed transfer be and it hereby is approved.
2. The transfer shall be recorded on the books of Boone County in accordance with Finding 8 herein.
3. Within 30 days of the date of this Order, Boone County shall file with the Commission an adoption notice adopting the rates, rules, and regulations formerly imposed by the 10 package treatment plants.

Done at Frankfort, Kentucky, this 1st day of June, 1990.

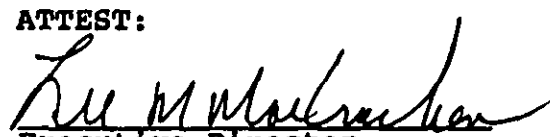
PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director